

STATE OF ILLINOIS
SECRETARY OF STATE
SECURITIES DEPARTMENT

IN THE MATTER OF: **BROWN ASSET MANAGEMENT**
and NAMON BROWN, JR.
(CRD# 1427066)

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) **File No. C0900538**
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)

TEMPORARY ORDER OF PROHIBITION

TO THE RESPONDENT: NAMON BROWN, JR.
8357 S. Winchester
Chicago, Illinois 60620

BROWN ASSET MANAGEMENT
c/o Namon Brown, Jr.
8357 S. Winchester
Chicago, Illinois 60620

On information and belief, I, Jesse White, Secretary of State for the State of Illinois, through my designated representative, having been fully advised in the premises by the staff of the Illinois Securities Department, Office of the Secretary of State, herein find:

1. Namon Brown, Jr. ("Brown") is an individual with a last known address of 8357 S. Winchester, Chicago, Illinois 60620.
2. Namon Brown Asset Management ("NBAM") is a purported business entity with a last known address of 8357 S. Winchester, Chicago, Illinois 60620.
3. That from October 2005 through September 2008, Respondents NBAM and Brown offered and sold to Illinois investors ("Complainants") an investment program with a minimum investment of \$5,000 and a maxim investment of \$250,000. The investment offered rates of return of between 26-30 percent, raising approximately \$224,000 from these Illinois investors.

Failure to Register

4. That the above-referenced investment program is security as that term is defined pursuant to Section 2.1 of the Illinois Securities Law of 1953 [815 ILCS 5/1 et seq.] (the "Act").
5. That Section 5 of the Act provides, inter alia, that all securities except those exempt under Section 3 of the Act or those offered and sold in transactions exempt under Section 4 of the Act shall be registered with the Secretary of State prior to their offer or sale in the State of Illinois.
6. That Section 12.A of the Act provides, inter alia that it shall be a violation of the Act for any person to offer or sell any security except in accordance with the provisions of the Act.
7. That Section 12.D of the Act provides, inter alia, that it shall be a violation of the Act for any person to fail to file with the Secretary of State any document or application required to be filed under the provision of the Act.
8. That at all times relevant hereto, Respondents Namon Brown Asset Management and Brown failed to register the securities prior to their offer and sale in the State of Illinois.

**Fraud, Deceit, Untrue Statements,
Omissions of Material Facts, Scheme or Artifice**

9. Between April 2006 and December 2009, Respondent Brown provided to Complainants a series of statements reflecting their investment and the purported interest being earned in the account.
10. Respondents never invested the money Complainants gave to Respondent Brown in any substantive investment.
11. Instead of using the monies for investments as promised, Respondents Brown and NBAM converted her money, to pay money they owed other investors, and for Respondent Brown's own personal use and benefit.
12. That Section 12.F of the Act provides that it shall be a violation of the provisions of this Act for any person to engage in any transaction, practice or course of business in connection with the sale or purchase of securities which works or tends to work a fraud or deceit upon the purchaser or seller thereof.

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13. That Section 12.G of the Act provides that it shall be a violation of the provisions of this Act for any person to obtain money or property through the sale of securities by means of any untrue statement of a material fact or any omission to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading.
14. Section 12.H of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, (the "Act") states that it shall be a violation of the provisions of this Act for any person to "sign or circulate any statement, prospectus, or other paper or document required by any provision of this Act or pertaining to any security knowing or having reasonable grounds to know any material representation therein contained to be false or untrue."
15. Section 12.I of the Illinois Securities Law of 1953, 815 ILCS 5/1 *et seq.*, states that it shall be a violation of the provisions of the Act for any person to "employ any device, scheme or artifice to defraud in connection with the sale or purchase of any security, directly or indirectly."
16. That by virtue of the foregoing, the Respondents Namon Brown Asset Management and Brown have violated Sections 12. A, D, F, G, H and I of the Act.
17. That Section 11.F.(2) of the Act provides, inter alia, that the Secretary of State may temporarily suspend or prohibit the offer or sale of securities by any person if the Secretary of State in his or her opinion, based upon credible evidence, deems it necessary to prevent an imminent violation of the Act or to prevent losses to investors which the Secretary of State reasonably believes will occur as a result of a prior violation of the Act.
18. That based upon the foregoing, the Secretary of State deems it necessary, in order to prevent imminent and additional violations of the Act, and to prevent losses to investors as a result of the referenced prior violation of the Act, to enter an order pursuant to the authority granted under Section 11.F of the Act which prohibits the Respondents Namon Brown Asset Management and Namon Brown, Jr. from offering and/or selling securities in the State of Illinois.
19. That based upon the credible evidence available to the Secretary of State, the entry of this Temporary Order is in the public interest and is consistent with the purposes of the Act.

NOW THEREFORE, IT IS HEREBY ORDERED THAT: pursuant to the authority granted by Section 11.F of the Act, Namon Brown Asset Management and Namon Brown, Jr. are

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hereby PROHIBITED from offering and/or selling securities in or from the State of Illinois until further order of the Secretary of State.

NOTICE is hereby given that the Respondent may request a hearing on this matter by transmitting such request in writing to Securities Director, Illinois Securities Department, 300 W. Jefferson St., Suite 300A, Springfield, Illinois 62702. Such request must be made within thirty (30) days of the date of entry of this Temporary Order. Upon receipt of a request for hearing, a hearing will be scheduled. Request for hearing will not stop the effectiveness of this Temporary Order and will extend the effectiveness of this Temporary Order for ninety days from the date the hearing request is received by the Department.

FAILURE BY ANY RESPONDENT TO REQUEST A HEARING WITHIN THIRTY (30) DAYS AFTER ENTRY OF THIS TEMPORARY ORDER SHALL CONSTITUTE AN ADMISSION OF ANY FACTS ALLEGED HEREIN AND CONSTITUTES SUFFICIENT BASIS TO MAKE THE TEMPORARY ORDER FINAL.

ENTERED: This 2nd day of August 2010.

A handwritten signature in black ink, appearing to read "Jesse White" with a stylized flourish at the end.

JESSE WHITE
Secretary of State
State of Illinois

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